



Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

November 15, 1989

TO: Board of Oil, Gas and Mining

THRU: Lowell P. Braxton, Associate Director, Mining *LOP*

FROM: D. Wayne Hedberg, Permit Supervisor/Hydrologist *DWH*

RE: Request for Board Concurrence, Amount and Form of Reclamation Surety and Permit Transfer, Apex Mine, St. George Mining Company/Hecla Mining Company, M/053/004, Washington County, Utah

Attached for your information is a copy of the original 1984 executive summary, the Reclamation Contract (FORM MR-RC), the permit transfer document, a revised reclamation surety estimate, and a replacement reclamation surety bond for Hecla Mining Company's, Apex Mine, located in Washington County, Utah. St. George Mining Company (Musto Explorations Ltd.), has sold the Apex Mine and mill to Hecla Mining Company.

Hecla Mining Company has provided the Division with a new reclamation surety bond in the amount of \$44,000 (1994 dollars), an updated Reclamation Contract (FORM MR-RC), and a completed MR FORM-5 (Bond). The new reclamation estimate includes the reclamation costs for a recent permit amendment application. The Division has tentatively approved the operator's application for a 4.2 acre disturbed area expansion. The amendment involves construction of a small limestone quarry immediately adjacent to the Apex Mine.

Upon the Board's acceptance of the amount and form of replacement surety, the Division will issue final written approval for the new limestone quarry permit amendment and for the permit transfer.

Thank you for your time and consideration of this request.

jb
Attachments
MN2/35

DOGM MINERALS PROGRAM

CHECK LIST FOR BOARD APPROVAL
OF
FORM AND AMOUNT OF SURETY

Mine Name Apex Mine

File No. M/053/004

Item	Provided		Remarks
	Yes	No	
Executive Summary	X		Original 1984 version
Location Map	X		
Reclamation Bond Estimate	X		
Signed Reclamation Contract	X		Updated contract
Signed Power of Attorney/ Affidavit of Qualification	X		
Bond/Reclamation Surety	X		Revised bond
Surety Signoff (Other State/Federal Agencies)		X	N/A
Permit Transfer	X		



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

July 31, 1984

TO: Board of Oil, Gas and Mining

FROM: Mary M. Boucek, Permit Supervisor/Reclamation Biologist *MMB*

RE: Final Approval, St. George Mining Corporation, Apex Mine,
ACT/053/004, Washington County, Utah

The Division of Oil, Gas and Mining (DOGM) technical staff has completed its review of the Mining and Reclamation Plan (MRP) submitted by St. George Mining Corporation for the Apex Mine Project and has determined that the MRP satisfies the requirements of the Utah Mined Land Reclamation Act of 1975.

The required 30-day public comment period has expired with no negative comments being received. A surety bond in the amount of \$54,389.00 (1985 dollars) has been posted by the operator.

The staff requests that the Board concur with approval of this surety bond and the issuance of Final Permit Approval. An Executive Summary and surety estimate are attached for your review and information.

MMB/btb
Attachments
cc: Jim Smith, DOGM
Steve Cox, DOGM
97210

*See 11-13-89 memo describing an amendment
of 4.2 acres added to this site.*

EXECUTIVE SUMMARY

Mine Name: <u>Apex Mine</u>	I.D. No. <u>ACT/053/004</u>
Operator: <u>St. George Mining Corporation</u>	County: <u>Washington</u>
<u>50 East 100 South</u>	New/Existing: <u>New</u>
<u>St. George, Utah 84770</u>	Mineral Ownership: <u>Private</u>
Telephone: <u>(801) 628-3239</u>	Surface Ownership: <u>Private</u>
Contact Person: <u>H. Lutz Klingman</u>	Lease No.(s): <u>N/A</u>
Life of Mine: <u>13 years</u>	Permit Term: <u>1 yr (concurrently w/bond)</u>
Legal Description: <u>Secs. 6 & 7, T. 43 S., R. 17 W; Secs. 1 & 12, T. 43 S., R. 18 W</u>	
Mineral(s) to be Mined: <u>Gallium, Germanium, Copper, Zinc, Silver</u>	
Mining Methods: <u>Mechanized Cut and Pneumatic Fill</u>	
Acres to be Disturbed: <u>8.1</u>	
Present Land Use: <u>Wildlife Habitat/Mining</u>	
Postmining Land Use: <u>Wildlife Habitat</u>	
Variances from Reclamation Standards (Rule M-10) Granted: <u>M-10(14)</u>	

Soils and Geology:

Soil Description: Classified by the Soil Conservation Service as rock land (R0). No soil descriptions were made at the minesite since soil development and profiles are not present as a typical pedon.

pH: NA

Special Handling Problems: Site consists of 70% rock outcrop and 30% soils which are too shallow to strip.

Geology Description: The ore is located in the Callville limestone formation as a hydrothermally-deposited limonite/geothite mineral deposit along the Apex Fault.

Hydrology:

Ground Water Description: No aquifers have been identified; no ground water is expected to be encountered.

Surface Water Description: No intermittent or permanent streams exist on-site; ephemeral drainage will be routed around distured area.

Water Monitoring Plan: None.

Ecology:

Vegetation Type(s); Dominant Species: Pinyon/Juniper Woodland.

Percent Surrounding Vegetative Cover: 30-35%.

Wildlife Concerns: None.

Surface Facilities: Change house & field office, workshop, water storage tank, compressor, fuel storage area, transformer & substation, crusher & screen, ore stockpiles

Mining and Reclamation Plan Summary: See attachment.

Surety:

Amount: \$54,389.00

Form: Cash Bond

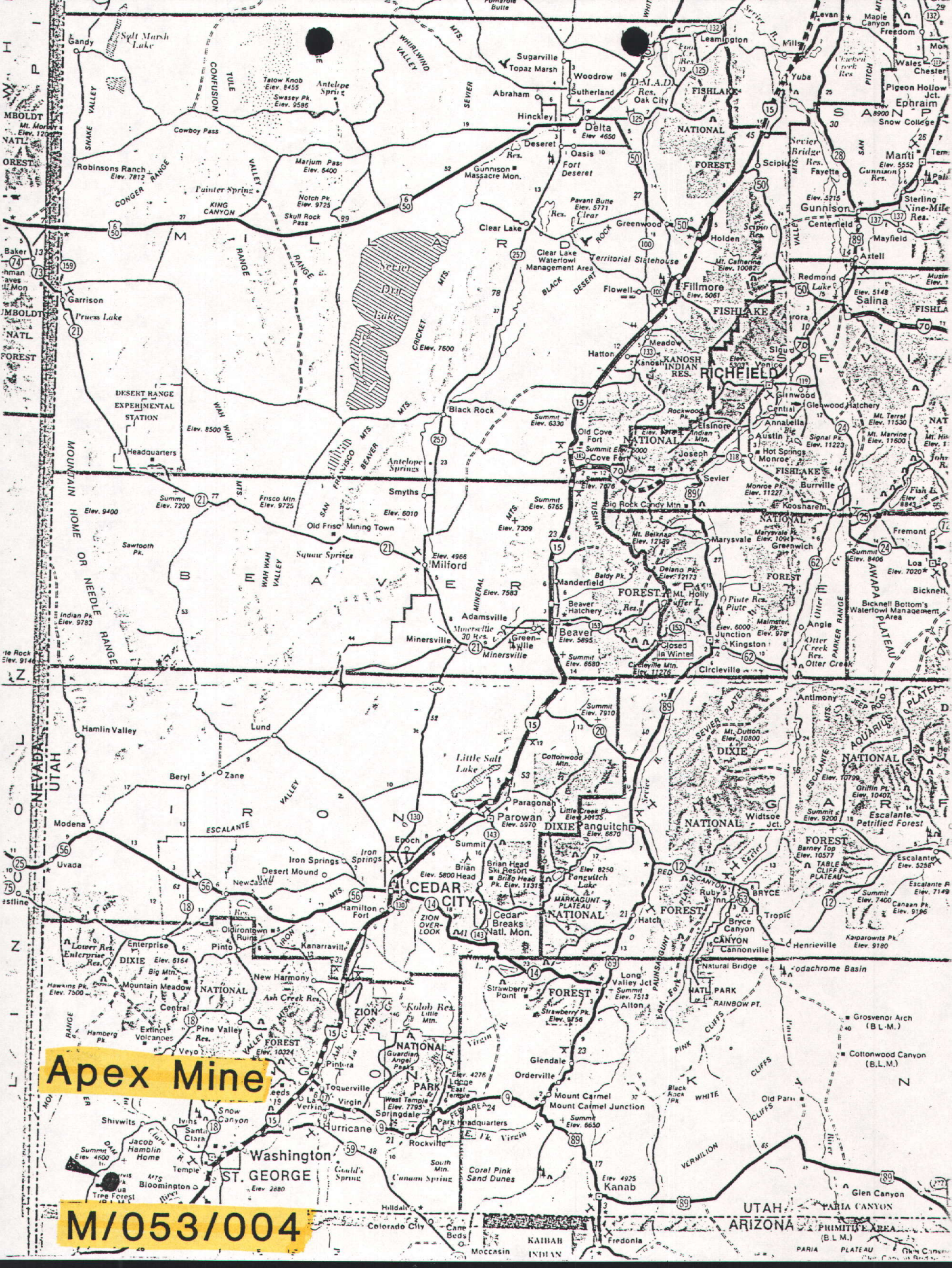
Renewable Term: One year.

During Operations:

1. St. George Mining Corporation will reactivate the old Apex Mine in order to produce gallium, germanium, copper, zinc and silver. The old mine is being rehabilitated and a surface cleanup program has been initiated.
2. The present underground mining method is a mechanized cut and pneumatic fill. Duration of mining operations at the Apex Project site is estimated to be 13 years.
3. Ore will be transported to the surface, screened, crushed and hauled off-site for a distance of 7.5 miles to the processing facility which is on the Shivwits Indian Reservation.
4. Working stockpiles of ore, low grade ore and mine wastes will be maintained on-site. Waste rock generated during underground mining will be crushed, screened and used as pneumatic fill for ground support in the mine. In addition to ore produced during mining, the existing upper mine dump containing low grade ore will be reclaimed.

After Operations:

1. All salvageable equipment and buildings will be removed, portals will be sealed and secured and foundations will be broken up and disposed of in the waste dump. Powerlines directly supplying the mine will be removed.
2. The site will be graded to blend with the natural topography and all flat surfaces will be scarified. The existing upper dump area will be graded down to the original limestone outcrop surface.
3. Disturbed areas, including roads, will be mulched, fertilized and revegetated. Currently proposed revegetation methods will be tested on the upper dump area during years 3 and 4 of operations and monitored for three years to determine success and modify the final reclamation procedures, if indicated.



Apex Mine

M/053/004

Reclamation Estimate for Hecla Mining Company
Apex Unit Washington County M/053/004

Prepared By Utah State Division of Oil, Gas and Mining
 September 5, 1989

Description	Quantity	Unit	\$/Unit	Cost (\$)
Mine Site Reclamation (a)				
Break-Up/Bury Concrete Foundations	2,000	Square Feet	4	8,000
Break-Up/Bury Concrete Retaining Walls	80	Cubic Yards	9	720
Remove Trash	4.0	Acres	100	400
Install Bulkheads Inside Adits		Lump Sum		2,400
Install Cap on Paymaster Shaft		Lump Sum		1,000
Backfill Adits and Shaft		Lump Sum		600
Bury Rock Gabion Retaining Wall		Lump Sum		3,000
Regrade Pads to Prevent Erosion		Lump Sum		5,000
Revegetate (b)	4.0	Acres	447	1,790
Subtotal				22,910
Quarry Site Reclamation				
Regrade to Prevent Erosion (c)	4.2	Acres	800	3,360
Revegetate	4.2	Acres	447	1,880
Subtotal				5,240
Other Reclamation				
Remove Trailers and Regrade Pad		Lump Sum		2,000
Regrade Bone Yard	0.5	Acres	800	400
Rip Roads	6,000	Linear Feet	0.70	4,200
Revegetate	4.0	Acres	447	1,790
Subtotal				8,390
Totals				36,540
Add Contingency (10%)				3,650
TOTAL RECLAMATION COST (1989 Dollars)				40,190
TOTAL RECLAMATION COST (1994 Dollars) @ 1.93% Annual Inflation				44,000

- Notes:
- (a) The buildings are all constructed of prefabricated steel panels. The salvage value will exceed cost of removal. Utah Power & Light extended the power line to the minesite from the plantsite. UP&L will remove the line when it is no longer needed.
 - (b) This figure includes the revegetation of the upper mine waste dump, which slopes at the angle of repose.
 - (c) The quarry will be dug out of a steeply sloping hillside. Final reclamation will consist of slope stabilization and impoundment prevention.

Reclamation Estimate for Hecla Mining Company
Apex Unit Washington County M/053/004

Prepared By Utah State Division of Oil, Gas and Mining
 September 5, 1989

Cost Parameters Used

D-8 Dozer (O&O)	160	\$/hour
988B Wheel Loader (O&O)	165	\$/hour
Labor Only	24	\$/hour
Farm Tractor (O&O)	67	\$/hour
Speed	4	mph
Width of Pass	6	feet

Revegetation Cost per Acre	Quantity	Unit	\$/Unit	Total Cost (\$)
Bare Costs				
Fertilizer (18-46-0)	100	Pounds	0.25	25
Seed Mix	20	Pounds	9	180
Native Hay Mulch	2	Tons	50	100
Seed Mix (drilled)	0.5	Hours	24	12
Subtotal				----- 317
Application Costs				
Native Hay Mulch (spread by hand)	3.0	Hours	24	72
Native Hay Mulch (disc into ground)	0.3	Hours	67	23
Fertilizer (broadcast by hand)	0.5	Hours	24	12
Seed Mix (drilled)	0.5	Hours	0	0
Scarify (tractor with chain)	0.3	Hours	67	23
Subtotal				----- 130
Total Revegetation Cost per Acre				447 REVEG

HECLA MINING COMPANY

November 9, 1989

MEMORANDUM TO: John Morgan
Apex

FROM: Dave Wolfe
Coeur d'Alene

SUBJECT: Surety Bond - Utah Department of Natural Resources

I am enclosing three documents which I trust will satisfy the requirements of the State of Utah, Department of Natural Resources as outlined in Lowell Braxton's letter of October 30, 1989.

1. A revised Reclamation Contract FORM MR-RC.
2. MR FORM 5 (Reclamation Bond). You will note that this bond is in the amount of \$54,329 which is the amount for which it was originally written June 14, 1989.
3. A DECREASE CERTIFICATE which reduces the amount of the bond from \$54,329 to \$44,000, the current amount required in 1994 dollars.

As requested in Mr. Braxton's letter, a disturbed area map needs to be added to FORM MR-RC as Attachment A. MR FORM 5 and the DECREASE CERTIFICATE should be attached to FORM MR-RC as Exhibit B.

Please note that the DECREASE CERTIFICATE must be signed by the State of Utah as evidence of their acceptance of the decreased amount of the bond. Although the State of Utah should keep the DECREASE CERTIFICATE, a copy endorsed by them needs to be returned to Aetna, the surety company. You may return that copy to me and I will see that Aetna gets it.

I trust that the enclosed forms fully meet the requirements of the State of Utah.

Dave Wolfe

DFW/amh

Enclosures

RECEIVED
NOV 15 1989

DIVISION OF
OIL, GAS & MINING

FORM MR-RC
Revised 2/17/89
RECLAMATION CONTRACT

File Number M/053/004
Effective Date _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/053/004
(Mineral Mined) germanium / gallium / copper

"MINE LOCATION":

(Name of Mine) Apex Mine
(Description) Underground mine located in sections 6,7,
1 and 2, R17 and 18 W, T 43 S
Washington County, Utah

"DISTURBED AREA":

(Disturbed Acres) 12.7 acres
(Legal Description) Exhibit A

"OPERATOR":

(Company or Name) Hecla Mining Company
(Address) P. O. Box 2407
St. George, UT 84771
(Phone No.) (801) 628-1635

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone No.)

Anh Mai, Apex Unit Manager

Hecla Mining Company

P. O. Box 2407

St. George, UT 84771

(801) 628-1635

"OPERATOR'S OFFICER(S)":

Arthur Brown, President and CEO

Ralph R. Noyes, Vice President-Metal Mining

Robert H. Wallace, Vice President-Treasurer

"SURETY":

(Form of Surety - Exhibit B)

MR Form 5

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Aetna Casualty and Surety Company
Bond No. _____

"SURETY AMOUNT":

(Escalated Dollars)

\$44,000

"ESCALATION YEAR"

1994

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

Revision Dates:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/053/004 which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing.
3. Operator agrees to pay public liability and property damage claims resulting from mining as determined by the Board or the Division, to the extent provided in the Act.

4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.
5. The Operators liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State.
9. If Operator shall default in the performance of the obligations heretofore, Operator agrees to pay all costs and expenses, including attorneys fees and costs generated by the Division and/or the Board in the enforcement of this Contract.

10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this _____ day of _____, 19____.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

By _____
Chairman, Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By _____
Director Date

STATE OF _____)
) ss:
COUNTY OF _____)

On the _____ day of _____, 19____, personally
appeared before me, who being by me duly sworn did say that he/she,
the said _____ is the Director
of the Division of Oil, Gas and Mining, Department of Natural
Resources, State of Utah, and he/she duly acknowledged to me that
he/she executed the foregoing document by authority of law on behalf
of the State of Utah.

Notary Public

Residing at: _____

My Commission Expires:

OPERATOR:

By

Ralph R. Noyes, V.P.
Corporate Officer - Position

November 8, 1989

Date

STATE OF Idaho)

COUNTY OF Kootenai)

ss.

On the 8th day of November, 1989, personally appeared before me Ralph R. Noyes who being by me duly sworn did say that he/she, the said Ralph R. Noyes is the Vice President-Metal Mining of Hecla Mining Company and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Ralph R. Noyes duly acknowledged to me that said company executed the same.

Rana Marie Henry
Notary Public
Residing at: Coeur d'Alene, Idaho

My Commission Expires: June 20, 1991

INSTITUTION:

AETNA CASUALTY & SURETY COMPANY

Surety (Company)

Carla Holt

Company Officer - Position
CARLA HOLT - ATTORNEY IN FACT

11/3/89

Date

STATE OF WASHINGTON)

) ss:

COUNTY OF SPOKANE)

On the 3rd day of NOVEMBER, 1989, personally appeared before me CARLA HOLT who being by me duly sworn did say that ~~he~~/she, the said CARLA HOLT is the ATTORNEY IN FACT of AETNA CASUALTY & SURETY COMPANY and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said CARLA HOLT duly acknowledged to me that said company executed the same.

Linda Pope

Notary Public LINDA POPE

Residing at: SPOKANE, WASHINGTON

My Commission Expires: 7/5/90

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.



POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT THE AETNA CASUALTY AND SURETY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and appoint **Charles H. Steilen, James E. McFigue, Roy N. Arnold, George C. Schroeder, Lionel C. Greenwood, Linda Tichey or Carla Holt - -**

of **Spokane, Washington**, its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated, the following instrument(s):
by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any and all consents incident thereto

and to bind THE AETNA CASUALTY AND SURETY COMPANY, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of THE AETNA CASUALTY AND SURETY COMPANY, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Company which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of THE AETNA CASUALTY AND SURETY COMPANY which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, THE AETNA CASUALTY AND SURETY COMPANY has caused this instrument to be signed by its Assistant Vice President, and its corporate seal to be hereto affixed this 28th day of June, 19 89

State of Connecticut }
County of Hartford } ss. Hartford



THE AETNA CASUALTY AND SURETY COMPANY
By Joseph P. Kiernan
Joseph P. Kiernan
Vice President

On this 28th day of June, 19 89, before me personally came JOSEPH P. KIERNAN, Vice President of THE AETNA CASUALTY AND SURETY COMPANY, the corporation described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf of the corporation by authority of his/her office under the Standing Resolutions thereof.



George A. Perry, Jr.
My commission expires March 31, 19 91
George A. Perry, Jr.
Notary Public

CERTIFICATE

I, the undersigned, **Secretary** of THE AETNA CASUALTY AND SURETY COMPANY, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this 3rd day of November, 19 89



By John W. Welch
John W. Welch, Secretary

LOGS
MINERALS PROGRAM
FILE COPY

Appendix A

The Apex mine disturbed surface area lies entirely within the Southwest $1/4$ of the Southwest $1/4$ of section 6, Township 43 South, Range 17 West, and the Southeast $1/4$ of the Southeast $1/4$ of section 1, Township 43 South, Range 18 West, Washington County, Utah

EXHIBIT B

MR FORM 5

(December 1988)
(Noncoal)Bond Number _____
Permit Number M/053/004
Mine Name APEX UNITSTATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

THE MINED LAND RECLAMATION ACT

BOND

The undersigned HECLA MINING COMPANY
as principal, and AETNA CASUALTY & SURETY COMPANY
as surety, hereby jointly and severally bind ourselves, our heirs,
administrators, executors, successors and assigns unto the State of Utah,
Division of Oil, Gas and Mining in the penal sum of FIFTY-FOUR THOUSAND THREE HUN-
DRED TWENTY-NINE & NO/100th dollars (\$ 54,329.00).

The principal estimated in the Mining and Reclamation Plan filed with the
Division of Oil, Gas and Mining on the 14th day of June, 1989,
that 12½ acres of land will be disturbed by this mining operation
in the State of Utah. A description of the disturbed land is attached hereto
as Exhibit "A".

When the Division has determined that the principal has satisfactorily
reclaimed the above-mentioned lands affected by mining in accordance with the
approved Mining and Reclamation Plan and has faithfully performed all
requirements of the Mined Land Reclamation Act, and complied with the Rules
and Regulations adopted in accordance therewith, then this obligation shall be
void; otherwise it shall remain in full force and effect until the reclamation
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a
piecemeal or cyclic basis, and the land is reclaimed in accordance with such
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
of the land affected or increased reclamation work, then this bond may
accordingly be increased with the written approval of the surety company.

This bond is noncancellable by the surety at any time for any reason
including, but not limited to nonpayment of premium or bankruptcy of the
permittee during the period of liability.

Page 2
NONCOAL
MR-5

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officer.

Dated this 3rd day of NOVEMBER, 1989.

State of Utah
Board of Oil, Gas and Mining

Gregory P. Williams, Chairman

HECLA MINING COMPANY
Principal (Company)

By David F. Wolfe
Company Officer - Position
ASSISTANT TREASURER

Date: NOVEMBER 8, 1989

AETNA CASUALTY & SURETY COMPANY
Surety (Company)

By Carla Holt
Surety Company Officer - Position
CARLA HOLT - ATTORNEY IN FACT

Date: NOV. 3, 1989

APPROVED AS TO FORM:

By _____
Assistant Attorney General

Page 3
NONCOAL
MR-5

AFFIDAVIT OF QUALIFICATION

CARLA HOLT, being first duly sworn, on oath deposes and says that ~~XX~~/she is the (officer or agent) ATTORNEY IN FACT of said Surety Company, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety Company is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

Signed Carla Holt
Surety Company Officer - Position
CARLA HOLT - ATTORNEY IN FACT

Subscribed and sworn to before me this 3rd day of NOVEMBER, 1989.

Linda Pope
Notary Public
LINDA POPE

My Commission Expires:

7-5, 1990.

MN9/61-63

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT THE AETNA CASUALTY AND SURETY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, hath made, constituted and appointed, and does by these presents make, constitute and appoint **Charles H. Steilen, James E. McTigue, Roy N. Arnold, George C. Schroeder, Lionel C. Greenwood, Linda Tichey or Carla Holt** - -

of **Spokane, Washington**, its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated, the following instrument(s):
by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any and all consents incident thereto

and to bind THE AETNA CASUALTY AND SURETY COMPANY, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of THE AETNA CASUALTY AND SURETY COMPANY, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Company which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of THE AETNA CASUALTY AND SURETY COMPANY which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, THE AETNA CASUALTY AND SURETY COMPANY has caused this instrument to be signed by its Assistant Vice President, and its corporate seal to be hereto affixed this 28th day of June, 19 89

State of Connecticut }
County of Hartford } ss. Hartford



THE AETNA CASUALTY AND SURETY COMPANY
By Joseph P. Kiernan
Joseph P. Kiernan
Vice President

On this 28th day of June, 19 89, before me personally came **JOSEPH P. KIERNAN**, Vice President of THE AETNA CASUALTY AND SURETY COMPANY, the corporation described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf of the corporation by authority of his/her office under the Standing Resolutions thereof.



George A. Perry, Jr.
My commission expires March 31, 19 91
George A. Perry, Jr., Notary Public

CERTIFICATE

I, the undersigned, **Secretary** of THE AETNA CASUALTY AND SURETY COMPANY, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this 3rd day of November, 19 89



By John W. Welch
John W. Welch, Secretary



DECREASE CERTIFICATE

THE AETNA CASUALTY AND SURETY COMPANY
Hartford, Connecticut 06115

Bond No.

Amount of Bond \$ 54,329.

Principal HECLA MINING COMPANY

Hereby decreased to \$ 44,000.


Obligee STATE OF UTAH DIVISION OF OIL, GAS AND MINING

As of the 3rd day of NOVEMBER, 19 89, the amount of the above described bond is hereby decreased from the sum of \$ 54,329. to the sum of \$ 44,000. The liability of the surety for any acts or defaults occurring after the effective date hereof, and for any acts or defaults occurring prior to the effective date hereof and not discovered within after the effective date hereof, shall in no event exceed the sum last named. The aggregate liability of the surety for any and all acts and defaults, whenever committed, shall in no event exceed the sum first named, it being the intent hereof to preclude cumulative liability. This certificate, when signed by the Obligee (Employer, or Insured) shall become part of the said bond.

Signed, sealed and dated this 3rd day of NOVEMBER, 19 89.

THE AETNA CASUALTY AND SURETY COMPANY

By


CARLA HOLT

Attorney-in-Fact

This certificate was executed by the surety pursuant to my (our) request, and in consideration of a reduced premium I (we) hereby formally consent to the decrease.

Signed, sealed and dated this day of, 19.

(Witness)_____
(Seal)
(Obligee, Employer, or Insured)

Attest _____

By _____

INSTRUCTIONS TO AGENTS—IMPORTANT

Do not deliver this certificate to the Obligee (Employer, or Insured) until that party has signed, sealed and dated it. In case of individual, schedule, or specific excess indemnity, execution on behalf of the Obligee (Employer, or Insured) by the person whose bond is being decreased is not acceptable.

One signed copy must be returned to the surety.

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT THE AETNA CASUALTY AND SURETY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and appoint **Charles H. Steilen, James E. McTigue, Roy N. Arnold, George C. Schroeder, Lionel C. Greenwood, Linda Tichey or Carla Holt** - -

of **Spokane, Washington**, its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated, the following instrument(s):
by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any and all consents incident thereto

and to bind THE AETNA CASUALTY AND SURETY COMPANY, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of THE AETNA CASUALTY AND SURETY COMPANY, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Company which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of THE AETNA CASUALTY AND SURETY COMPANY which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, THE AETNA CASUALTY AND SURETY COMPANY has caused this instrument to be signed by its Assistant Vice President day of **June**, 19 **89**, and its corporate seal to be hereto affixed this **28th**

State of Connecticut }
County of Hartford } ss. Hartford



THE AETNA CASUALTY AND SURETY COMPANY
By *Joseph P. Kiernan*
Joseph P. Kiernan
Vice President

On this **28th** day of **June**, 19 **89**, before me personally came **JOSEPH P. KIERNAN**, to me known, who, being by me duly sworn, did depose and say: that he/she is **Vice President** of THE AETNA CASUALTY AND SURETY COMPANY, the corporation described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf of the corporation by authority of his/her office under the Standing Resolutions thereof.



George A. Perry, Jr.
My commission expires March 31, 19 **91**
George A. Perry, Jr.
Notary Public

CERTIFICATE

I, the undersigned, **Secretary** of THE AETNA CASUALTY AND SURETY COMPANY, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this **3rd** day of **NOVEMBER**, 19 **89**



By *John W. Welch*
John W. Welch, Secretary